

OMFIF China-UK investor forum 2024

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Speech by Zeguang Zheng, Chinese Ambassador to the UK

Minister Siddiq, Chairman Marsh, ladies and gentlemen, friends, it is my pleasure to attend the 2024 China-UK investor forum. Thank you for the invitation.

Chairman Marsh, I'd like to thank you and your colleagues at OMFIF for the long-standing efforts towards promoting China-Europe and China-UK economic co-operation.

There has never been a better time to talk about partnerships for global growth and prosperity.

As we speak, the world is gripped by transformation and turmoil. Regional conflicts are lingering. The global economy is anaemic. Unilateralism, protectionism and trade bullying are on the rise. The weaponisation of tariffs and technology is shattering the global trading system. And the stability of the industrial and supply chains is under threat.

Now is a testing moment for responsible countries as well as responsible business leaders.

At a time like this, more than ever, we need to uphold openness and inclusiveness and oppose isolation and exclusion. We need to uphold dialogue and co-operation, and oppose division and confrontation.

Ladies and gentlemen, in the face of complex internal and external environments, the Chinese government has been acting with calm and facing up to challenges, while staying laser-focused on high quality development.

In the first three quarters of this year, China's GDP increased by 4.8%, ranking among the fastest growing major economies in the world.

Since the end of September, the government has introduced a new set of policy measures, designed to further stimulate domestic demand, boost market confidence, stabilise the real estate sector and support the local governments. As a result, social expectations are improving, and steady progress has been made in the economy.

The latest figures show that in October, China's trade in goods, retail sales of consumer goods and industrial output were up by 4.6%, 4.8% and 5.3%, respectively. In the first 10 months of this year, China's trade in goods grew by 5.2%. And in November, the PMI expanded for a third consecutive month.

The People's Bank of China has said that it will continue to adhere to a supportive monetary policy, use a variety of policy tools, increase counter-cyclical regulation, maintain reasonable liquidity and reduce the comprehensive financing costs of enterprises and residents.

Efforts will focus on strengthening support for technological innovation, green finance,

consumer finance and other fields, and promote the stable development of the real estate market and capital market.

We will continue to act upon the important decisions made at the third plenary session of the 20th CPC Central Committee, and further deepen reform to unleash social vitality and creativity.

We will continue to accelerate innovation-driven and green development, and promote high-standard opening up.

In the past 45 years, China's annual contribution to world economic development has averaged 24.8%, ranking first in the world, and in the following five years, China is projected to remain the biggest engine for the global economy.

Ladies and gentlemen, not long ago, President Xi Jinping, while attending the G20 summit in Brazil, met separately with Prime Minister Keir Starmer, Chancellor Olaf Scholz and President Emmanuel Macron, among others. And since the beginning of this year, European leaders, including those from Belgium, Italy, Spain and Finland have visited China.

Strengthening mutually beneficial co-operation has always been a priority on the agenda in those meetings.

President Xi Jinping has unequivocally noted that China sees Europe as an important partner in our efforts to advance Chinese modernisation.

China and the EU are each other's second largest trading partner. In 2023, the bilateral trade stood at \$780bn.

And trade between China and the EU and the UK put together stood at over \$920bn. This economic partnership has brought enormous mutual benefits to the two sides.

This partnership is a long-term one and the potentials are yet to be fully tapped. I always say to the business community in the UK and other European countries: You should have a good grasp of the major trends in China, and stay the course in our co-operation.

This is because, first, China brings stability. With a strong political leadership, China's policies are transparent and consistent. This provides a predictable macro environment for investors here.

Second, China brings scale. With a population of over 1.4bn and a middle-income group of over 400m, China brings unparalleled market opportunities.

Third, China is open. Committed to promoting high-standard opening up, we have lifted all restrictions on foreign investment in manufacturing, and established a nationwide negative list system for cross border services trade.

Caps on foreign equity holdings in banking and insurance institutions have been lifted. All restrictive measures in the financial sector have been removed from the negative list for foreign investment.

We have taken steps to further open the telecom, internet, education, culture, medical service and other sectors, and now wholly foreign-owned hospitals have been permitted in nine places in China, including Beijing, Tianjin and Shanghai.

Investors from the UK and Europe pay great attention to the Guangdong-Hong Kong-

Macao Greater Bay Area. This is very right, because the GDP of the GBA is equivalent to the 10th biggest economy in the world, and it is also a testing ground for the building of a high standard open economy in China.

Fourth, China is a stable source of supply. With a fully-fledged industrial system, China's output of 220 industrial products ranks first in the world. So in China, Europe can find a reliable partner in industrial and supply chains.

And fifth, China has the quantity and quality of human resources: 170m highly educated and skilled workers. The number of full-time equivalent researchers has led the world for many consecutive years. This provides important support for entrepreneurship and investment.

All of these unique strengths have determined that the long-term trajectory of China's economy remains positive, and China represents a long-term predictable partner for European countries.

Ladies and gentlemen, China-UK relations stand at a new juncture. Now the two sides should work together closely to follow up on the common understanding between President Xi Jinping and Prime Minister Keir Starmer.

As President Xi pointed out, both sides should stick to the positioning of strategic partnership, and adhere to mutual respect, openness and co-operation, and exchanges and mutual learning.

We should strive for mutual benefit and win-win outcomes, and jointly write the next chapter in the sound and stable development of China-UK relations.

But fundamentally, the development of China-UK relations relies on the right perception of each other. The UK should not be led astray by any third party, and fall into the trap of bloc confrontation.

Whatever the ideology, a down-to-earth attitude will lead one to see this basic fact: China presents new opportunities for development. The real challenges that the UK faces, be it high inflation, low growth or trade bullying, come from any country but China.

Of course, this is a complex relationship. And China has concerns over any act of interference in its internal affairs. And those issues should be handled with mutual respect.

The two governments should reactivate dialogue mechanisms such as the EFD. We need to strengthen co-operation in trade and investment, financial services, public health, clean energy, climate change, science and technology, culture, education, tourism and law enforcement.

We should encourage the business sectors of the two sides to strengthen third-party market co-operation to help them fully complement each other's strengths, achieve win-win results and contribute to the economy and improvement of people's lives in developing countries.

We hope the two governments will work together to create a fair, just and non-discriminatory environment for business communities, synergise our development strategies and promote market connectivity.

I hope that today's forum will help business leaders here to see the facts clearly, identify where the issues are and where the opportunities lie and work together to open up new prospects for China-UK economic co-operation.

I trust that you will be able to make new contributions to the sound and steady development of China-UK relations.

I thank you once again for this kind invitation, and wish this forum a full success.

Thank you.